

Report on The U.S./Africa Roundtable on Trade and Investment

October 8, 1997

⌘ Transportation: the tie that binds ⌘

⌘ *Foreword*

I was pleased to host the U.S.-Africa Roundtable on Trade and Investment on October 8, 1997. This report summarizes the day's events, highlighting the insights and ideas that speakers and participants shared. I hope that this report serves as a substantive guide and a source of inspiration for all those who continue working hard to strengthen ties between the United States and the many nations of Africa.

The Roundtable was an unprecedented opportunity to bring together a diverse group of people -- African and American, government and industry -- all dedicated to building a stronger partnership between America and the countries of Africa. The quality of the ideas put forth and the variety of perspectives shared by participants made the session a meaningful and enlightening experience for all involved. My thanks go out once again to all those who attended and helped make this event such a success.

I want to emphasize that the Roundtable was no one-time event but, rather, a foundation on which I intend to build. I will continue to vigorously promote the President's Africa Initiative and to be personally engaged with the continent of Africa. Transportation truly is the tie that binds. It is vital to Africa's continued economic development, but it is more than the concrete, asphalt and steel of the physical infrastructure. Transportation is also about providing opportunity, freedom, and community for people.

I believe the Department of Transportation can and should play an integral role in the development of a U.S.-Africa partnership, and I am committed to using what I learned



at the Roundtable to make that partnership vital and successful. The ideas put forth at the session will be most valuable as I examine how the Department of Transportation can help us reach the goal we all desire: peace, prosperity, and progress in Africa and in America.

Those present at the Roundtable witnessed the growing support for Africa in this country. I believe that we are truly at a crucial juncture, and we have an historic opportunity to make real and concrete changes in our relations with African nations. We must take advantage of this special moment.

Armed with the knowledge, expertise, and energy of our collective force, we have the power to make the important changes that can improve the lives of millions of Africans and Americans. Working together, we can be sure that our best days truly are ahead of us.

Rodney E. Slater
November, 1997

⌘ *Executive Summary*

Following the Fourth Annual African-American Summit in Harare, Zimbabwe, U.S. Secretary of Transportation Rodney E. Slater pledged to continue his engagement with Africa and to follow-up on the issues and concerns addressed there. On October 8, 1997, Secretary Slater convened a U.S.-Africa Roundtable on Trade and Investment, fulfilling his pledge to remain an active leader of the Clinton Administration's Africa Initiative. With nearly 300 participants representing the U.S. Administration and the Congress, the African Diplomatic Corps, international financial institutions, the international development community, and the U.S. private sector, the Roundtable provided an historic opportunity for people committed to building a new U.S.-Africa partnership to gather and engage in substantive dialogue.

The overwhelming participation at the Roundtable, the quality of presentations made, and the enthusiastic interest of all those who attended reflect the growing support for the Africa initiatives of the Clinton Administration and the Congress.

The insights shared by the distinguished panelists, the enlightened luncheon discussions, and the many provocative questions posed during the Roundtable all contributed to achieving Secretary Slater's objectives for the Roundtable.

⌘ **Strengthening ties through fostering dialogue**

A primary objective of the Roundtable was to bring together people from diverse backgrounds to interact and exchange ideas. By providing opportunities for participation

to all those who attended, the session became a truly interactive experience and an opportunity for all to learn from each other. The variety of perspectives shared each added a unique facet to the broad and multidimensional issues that were discussed. In addition, the Roundtable allowed for people to make personal connections and to build relationships with others who have similar concerns and interests.

“Africa is marching proudly into a brighter future. And with your help we can build a common future, a strong future for a new partnership between Africa and America for the 21st century.”

**-- Secretary Rodney E. Slater
U.S. Department of Transportation**

⌘ **Advocating increased trade and investment**

Throughout the day, participants heard from a variety of sources how fundamentally important trade and foreign investment are to the economic development of Africa. Speakers noted the improved economic performance of many African nations and the accompanying trade and investment opportunities. Several participants also highlighted new programs and developments that are helping to create an environment on the continent of Africa where people can more effectively and profitably do business. A strong emphasis was placed on the mutually beneficial effects of increased trade and investment activity between the United States and Africa. All present acknowledged that free and fair trade is a win-win situation for all parties involved.

⌘ **Focusing attention on African achievements**

The Secretary and many other speakers noted the recent achievements of many African nations in the areas of political and economic reform -- areas which were emphasized by President Clinton when he announced the Partnership for Economic Growth and Opportunity in Africa initiative in June of this year. Increased economic growth, greater political stability, higher exports and lower inflation in a growing number of African nations were among the successes acknowledged and praised during the Roundtable. Recognizing these positive developments, the focus of the discussion turned to how the participants could work together to sustain and build upon these trends. While Africa is beginning to overcome its negative image, those who participated in the Roundtable also recognized that the challenge now is to spread the good news about Africa.

⌘ Facing challenges

Though considerable progress has been made in the areas of political and economic reform, serious obstacles continue to obstruct the path to prosperity in Africa. Panelists in the morning noted the continuing problems in many African countries associated with poverty, low levels of education and poor health. All agreed that people should be the real focus of development efforts, because only through lifting people out of poverty can efforts to improve African economies be sustained. In addition, participants discussed the challenge of building the infrastructure of a modern economy. Participants noted that this means not only physical infrastructure such as roads, bridges and telecommunication systems, but also institutional infrastructure, including reliable legal and financial systems. Discussions during the Roundtable highlighted that much hard work

remains to be done if Africa and America are to share prosperity in the 21st century.

⌘ Promoting coordinated policies

The Roundtable both added momentum to the current initiatives of the Clinton Administration and the Congress and laid the foundation for the further development of an economic partnership between the United States and Africa. As several speakers noted, now that Africa has finally become a priority on the political agenda, there is an historic opportunity to take action. Participants in the Roundtable were challenged to work together in coordinated efforts to integrate Africa into the global economy. The participants recognized successes, identified problems, set goals, and discussed solutions. They noted that Africa has been on the “back burner” and that long-standing policies have not generally netted the growth and development anticipated. With that in mind, they acknowledged that efforts of the U.S. government, the development banks, non-governmental organizations, and the private sector must all be focused on the same long-term goal and vision in order to be successful. Equally important, they stressed that U.S. policies regarding Africa must be carefully coordinated with those of African governments and businesses so that the efforts of all involved complement, rather than hinder, each other.

Africa and America’s futures are becoming ever-more tied together as technology and development shrink our small planet. The Roundtable set the stage for further cooperation, and was a significant step in developing a community that has the expertise, experience, and energy to overcome the formidable challenges that the United States and Africa must face together. Our task now is to build a mutually beneficial

U.S.-Africa relationship, to build upon the best that has thus far been done in Africa and to aggressively tackle what remains.

⌘

⌘ *Opening Remarks*

The Roundtable opened with remarks from top U.S. Administration officials who emphasized the Clinton Administration's commitment to building a partnership with Africa, followed by remarks by the top-ranking African diplomat in the United States.

Secretary of Transportation Rodney E. Slater opened with a visionary statement that defined the objectives of the Administration's Africa Initiative and set out his goals for the day's session. In his remarks, Secretary Slater emphasized the importance of transportation in any economy, large or small, developed or developing. He declared that "Transportation is the tie that binds" and announced this as the guiding principle of the Department's Africa Initiative. Reaffirming his commitment to strengthening the ties between Africa and the United States, the Secretary declared: "Our message -- President Clinton's message -- is clear and unequivocal: America wants Africa as a full partner in the cause for freedom, democracy, economic liberalization and prosperity. The marginal-ization of Africa is over, and over forever." This commitment builds upon the marker laid down by the late Commerce Secretary, Ron Brown, at the Third African-African American Summit held in Dakar, Senegal, in 1995, and reconfirmed by Secretary Slater at the Fourth African-African American Summit in Harare, Zimbabwe, in July 1997.

*"Our message -- President Clinton's message -
- is clear and unequivocal: America wants
Africa as a full partner in the cause for
freedom, democracy, economic liberalization
and prosperity. The marginalization of Africa
is over, and over forever."*

**-- Secretary Rodney E. Slater
U.S. Department of Transportation**

Deputy Secretary of Commerce Robert Mallett praised the vision and leadership of Secretary Slater and affirmed the commitment of Secretary Daley and the Department of Commerce to supporting the President's Africa Initiative. In addition, he also pledged continued cooperation with the Department of Transportation and other government agencies to promote a U.S.- Africa partnership. Recalling the courageous leadership of the late Commerce Secretary, Ron Brown, Deputy Secretary Mallett pledged that the flame of Ron Brown's dream is still alive, and the leaders of the Commerce Department will not let it die. In outlining Commerce's numerous efforts aimed at expanding trade and investment relations with Africa, Deputy Secretary Mallett emphasized that a U.S.- Africa partnership is one of mutual advantage.

“The late Secretary of Commerce Ronald H. Brown . . . emphasized repeatedly that the future of Africa’s relationship with the United States is based on trade, not aid. We are at the Department of Commerce continuing to implement his dream. The flame of his dream is still alive at the Department of Commerce, and I personally pledge to you, it will not be extinguished.”

**-- Deputy Secretary Robert Mallett
U.S. Department of Commerce**

Ms. Regina Brown, the U.S. State Department’s Deputy Assistant Secretary for African Affairs, outlined how the President’s vision for stronger relations with Africa has been transformed into concrete policy through the Administration’s Partnership for Economic Growth and Opportunity in Africa. This initiative is based on the notion that American interests are best served if we view African countries as partners in trade and investment. She stressed that “in an increasingly competitive global economy, the United States cannot afford to neglect a largely untapped market of some 600 million-plus people.”

“In an increasingly competitive global economy, the United States cannot afford to neglect a largely untapped market of some 600 million-plus people.”

**-- Deputy Assistant Secretary Regina Brown
U.S. Department of State**

Ms. Brown explained that the new U.S. initiative in Africa supports those African nations that have been successful in opening their economies by offering enhanced market

access, supporting debt forgiveness, and providing funding to agencies such as OPIC and USAID to stimulate business activity in Africa. In addition, Ms. Brown pledged the firm support of Secretary Albright and the State Department in advancing the President’s initiative and supporting Secretary Slater’s efforts in transportation.

“We welcome the new enthusiasm about and unprecedented focus on Africa . . . I believe that working together, we can build a partnership, a future that will benefit our two peoples, and in the long term, that will make a huge difference in the expectations and living conditions of ordinary Africans.”

**-- Ambassador Roble Olhaye
Dean, African Diplomatic Corps**

On behalf of the African Diplomatic Corps, His Excellency Roble Olhaye, Ambassador of Djibouti, spoke of the significance of the recent attention focused on Africa in the Clinton Administration. Praising the recent efforts of the President and Secretary Slater, Ambassador Olhaye pledged the cooperation of African leaders in building a stronger U.S.-Africa partnership. He reiterated the commitment of African leaders to establishing free-market economies and recognized the necessity for African nations to join in the march towards economic openness that is sweeping the globe. In addition, the Ambassador assured that African leaders are actively engaged in tackling issues such as human and physical capacity building, poverty reduction, and good governance.

**⌘ Panel 1: Building the Bridge to
American and African Prosperity --
Human and Physical Capacity**

The morning panel provided a variety of perspectives on the challenges that face Americans and Africans as they work to build human and physical capacity in the nations of Africa. The panelists shared their insight, expertise, and experience in dealing with the challenges of African development.

Mike Williams, Chief of Staff for U.S. Representative Jim McDermott (D-WA), served as the panel moderator. He set the tone for the Roundtable, urging all present to not just talk about issues, but to work hard to make change come about.

In introducing the panel, Mr. Williams emphasized that human resources are the key to sustainable development in Africa, noting that “Africa’s future is going to be determined by its people.” This point was echoed by each of the other panelists. Mr. C. Payne Lucas, President of Africare, reiterated, “At the end of the day, the greatest resources in Africa are Africans.”

“Competition isn’t just a matter of trade. Its foundation starts way back in the economic self-reliance and stability of rural residents and the long-term health and productivity of their resource base. The composite of all these factors is what we call sustainable development.”

**-- Deputy Secretary Richard Rominger
U.S. Department of Agriculture**

In addition, each speaker acknowledged that while a stable economy, increased trade and investment, and modern physical infrastructure are all critically important to a nation’s development, these things mean little if the people of that nation are not

employed, educated and healthy. Richard Rominger, Deputy Secretary of Agriculture, emphasized that “Competition isn’t just a matter of trade. Its foundation starts way back in the economic self-reliance and stability of rural residents and the long-term health and productivity of their resource base. The composite of all these factors is what we call sustainable development.”

In fact, it is the accumulation of human and social capital that is the engine of economic growth. Ms. Carol Peasley, Acting Assistant Administrator for Africa at the U.S. Agency for International Development (U.S. AID), noted that “We clearly see people as the most important part of an enabling environment for trade and investment.”

However, panelists and participants from the audience also stressed the importance of developing physical infrastructure, especially transportation infrastructure that creates the linkages between people and places. Gwendolyn Mikell, President of the African Studies Association, noted that the current inefficient transportation systems in Africa are the legacy of colonialism. These systems were designed to move resources for export, not to connect Africans with each other. Therefore, she challenged: “Why are we not thinking boldly about a transportation network that would not only move resources to where they are needed, but would also move human resources to where they could be used in much more productive ways.”

A theme heard often throughout the day was the importance of working with Africans as partners. Dr. Mikell noted that building partnerships is a major emphasis of the African Studies Association and is an essential task for any group serious about working on the continent of Africa. She also noted the emphasis on mutuality in the

current dialogue between the U.S. and Africa and praised this unprecedented and long overdue development.

“Why are we not thinking boldly about a transportation network that would not only move resources to where they are needed, but would also move human resources to where they could be used in much more productive ways.”

**--Gwendolyn Mikell
African Studies Association**

Speaking from years of personal experience, Mr. Lucas stressed that Africans know what they want and where they want to go, even if they may not always know how to get there. Ms. Peasley stated that a major objective of U.S. AID is to adapt to an increasingly African-led vision for the future.

In sum, the panelists concurred that Africans are ultimately in control of their own destiny and, thus, they must lead development efforts in their own nations. It is of paramount importance that Americans become partners with Africans and work together towards achieving common, mutually beneficial goals.

Another prominent theme in the morning panel revolved around the sustainability of development efforts. Mr. Lucas, for example, pointed out that it does little good to export cars to Africa if they cannot be repaired there, and it is a waste of money to build new highways if there are no resources to maintain them. Therefore, he challenged us to envision our efforts and goals in Africa over the long term.

“There are well educated Africans who are hungry, dying to participate in the development of their countries. . . At the end of the day, the greatest resource in Africa are Africans.”

**--C. Payne Lucas
Africare**

Panelists also outlined the efforts of their respective organizations relating to human capacity building in Africa. Deputy Secretary of Agriculture Richard Rominger spoke of the U.S. Department of Agriculture’s technical assistance programs in Africa that help train Africans in statistical techniques used in this country to monitor agricultural productivity. In addition, he described programs that allow African agriculturists to study in specially tailored programs here in the United States.

Ms. Peasley noted AID’s strong emphasis on human capacity building in its numerous activities, including technical assistance, training, microbusiness development, health, and education programs. She also pointed out that U.S. AID supports infrastructure development in Africa as well.

Mr. Williams detailed the current efforts in Congress to pass the Africa Growth and Opportunity Act. A key drafter and leading proponent of the Act, Mr. Williams emphasized the importance of passing legislation that will cement the U.S. commitment to building a partnership with Africa, and informed the Roundtable participants of how they could help to get the legislation passed.

Questions from the audience touched on a broad range of important issues. Participants noted the importance of addressing environmental concerns and civil society development to sustaining human resource

development. The discussion also turned to the problem of Africa's negative image and how to overcome it. Several participants noted the importance of creating awareness of Africa in the United States and of promoting greater ties between the two continents through educational and cultural exchanges.

"We must renew and strengthen our partnerships with Africa so that a vibrant continent can be unleashed holding its rightful place in the global order."

-- Acting Ass't. Administrator Carol Peasley
U.S. Agency for International Development

In general, the morning panel discussion fostered an air of optimism about Africa and future U.S.-Africa relations. Recent developments on the African continent and greater awareness and support in the United States have created an unprecedented opportunity for cooperative action. Our task is to seize this opportunity.

⌘ *Summary Reports from Working Luncheon Discussions*

To take full advantage of the tremendous expertise and knowledge possessed by Roundtable participants, a working lunch was held during which participants discussed certain key issues as they relate to four regions of the continent -- Southern Africa, Central Africa, Western Africa, and Eastern Africa. The questions posed were as follows:

1. What human and physical capacity issues are of major importance to the countries of Southern (Eastern, Central, Western,) Africa and to the region as a whole; and how can the United States cooperate with those countries in effectively

addressing those issues?

2. What transportation infrastructure issues must be addressed in order for the countries of Southern (Eastern, Central, Western) Africa to continue to grow and to more fully participate in the global economy?
3. What are the critical trade and investment challenges facing the countries of Southern (Eastern, Central, Western) Africa; and what opportunities exist for strengthening mutually beneficial ties between Southern (Eastern, Central, Western) Africa and U.S. businesses?

Following the lunch, reports were provided summarizing the discussions. Mr. Melvin Foote, Executive Director of the Constituency for Africa, served as moderator for the session.

⌘ **Summary Report on Southern Africa¹**

Ambassador Amos Midzi of Zimbabwe provided the report from those tables that discussed the Southern Africa region. He began by suggesting that whatever analysis is done regarding Southern Africa, it is important to take note of that region's history. Though Southern Africa is now peaceful with, perhaps, the exception of Angola, apartheid had a destabilizing impact on the region. In particular, Ambassador Midzi noted that the region's transportation infrastructure was intentionally destroyed by the apartheid government of South Africa. But since then, Southern Africa has come a long way and the countries of the region are now working together in the Southern

¹ The Southern Africa region was defined as Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.

African Development Community (SADC) with each country in the region taking responsibility for different sectors. Mozambique has the lead for coordinating the region's transport sector development.

On the first question of human capacity, Ambassador Midzi emphasized that Southern Africa has existing institutions that cater to the training and education of its people, but that assistance is needed to sustain and strengthen those institutions.

In terms of transportation infrastructure, it was noted that there are rail and road networks, but the interlinkages of those networks among the different countries in Southern Africa need to be improved and better coordinated. Ambassador Midzi also noted that aviation systems in the region need to be upgraded and that increased competition among airlines is desired.

On the third question, the Ambassador noted that a critical step in supporting trade and investment in Southern Africa is strengthening the role of the private sector and creating conditions that will make it easier and more profitable for companies -- both African and American -- to operate in the region. Dialogue between the U.S. private sector and the private sector in Southern Africa was strongly urged, with particular emphasis on U.S. businesses identifying exactly what the countries in Southern Africa must do in order for U.S. businesses to invest there.

Equally important, it was noted that although the U.S. Generalized System of Preferences (GSP) program does give African countries increased access to the U.S. market for many products, there are very few countries in Africa -- particularly in Southern Africa -- taking advantage of GSP. This is because

they lack the capacity to produce goods that can enter the United States under the GSP provisions. Ambassador Midzi ended by requesting assistance from the U.S. for countries in Southern Africa to strengthen their capacity to produce more goods that can enter the U.S. market.

⌘ Summary Report on Eastern Africa²

Ambassador Edith Ssempera of Uganda reported on the luncheon discussions on Eastern Africa. She began by noting that while there are many things to be done in Eastern Africa, we must prioritize the various activities. Given the limited resources available, she suggested a strong focus on the private sector and their role in trade and investment in the region.

In looking at human capacity issues, participants discussing Eastern Africa concluded that differing judicial systems across the region are a constraint on trade, and they called for harmonization and greater transparency within these systems. Though participants discussed the importance of education, in general, they thought it was more important to focus on education relevant to trade and investment -- for example, training in entrepreneurship, management and marketing. There was also a recognition that there are many expatriate Africans with knowledge and know-how who would be a valuable resource to African nations if they were to return.

Ambassador Ssempera highlighted the importance of regional organizations within Africa and the progress they have made in developing common markets among groups

² The Eastern Africa region was defined as Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia, Sudan, Tanzania, and Uganda.

of African countries. However, assistance is needed by these organizations, especially those -- such as the Common Market of Eastern and Southern Africa (COMESA) -- that are working to improve trade between regions of Africa.

In terms of transportation infrastructure, it was noted that road safety is extremely important. Economic booms result in increased traffic and increased crashes and incidents. Therefore, it is important to address safety issues while simultaneously expanding road capacity in the region.

On the question of critical trade and investment challenges facing Eastern Africa, Ambassador Ssempera highlighted the importance of agriculture in that region and the need for technical assistance designed to improve the quality of agricultural products in order to meet U.S. quality control standards. Without such assistance and improved agricultural research, Eastern African countries would not be able to overcome the current constraints impeding greater exports to the United States.

Finally, she encouraged Africans to better market their goods, and reminded the participants that “one stop shops” now exist in many African countries to facilitate foreign purchases of African products.

⌘ Summary Report on Central Africa³

Randy Jones, President of the National Bar Association, summarized the luncheon discussions on Central Africa. On the question of human capacity in Central Africa,

³ The Central Africa region was defined as Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Republic of Congo, Rwanda, and Sao Tome and Principe.

he began by noting that ethno-political conflicts in that part of Africa have had a severe impact on human development in the region. More important, it was noted that a cycle of poverty begins with ethnic tensions. Such conflicts inhibit the flow of goods and services within and between nations and lead to economic instability, lack of jobs, and decreased investment in human and physical infrastructure. Hence, Central African nations -- more than other regions of Africa - - will need to focus on resolving conflicts in order to create environments more conducive to human and economic development. The United States was urged to increase dialogue with the nations of Central Africa, while respecting their cultures and circumstances. Support for the conflict resolution efforts of regional organizations such as the Organization of African Unity (OAU) and paying U.S. contributions presently in arrears to the World Bank and International Development Association (IDA) were also seen as important steps the United States should take.

Regarding the issue of transportation infrastructure, those that discussed Central Africa deemed it important to standardize the railway systems of the region, and they recommended that a feasibility study be conducted on this issue. Other areas of focus mentioned were the need for multimodal public transportation and improved airport security.

With respect to the question of critical trade and investment challenges, Mr. Jones emphasized the need to strengthen ties between Central African and U.S. businesses. He proposed that the United States work with regional organizations such as the Southern African Development Community (SADC) and UEMOA (the

Union Economic et Monitaire d’Afrique d’Ouest) which have started work in other parts of Africa to help strengthen the Central African countries in similar efforts.

⌘ Summary Report on Western Africa⁴

Singleton McAllister, General Counsel of the U.S. Agency for International Development, began her summary of the luncheon discussions on Western Africa by emphasizing the importance of education, health care and sustainable development, and noted their impact on human and physical capacity. She stressed that an educated and healthy African workforce is not only needed to build and maintain better transportation systems, but is important to support increased trade and investment in general. It was, therefore, not surprising, she noted, that many of the participants emphasized the critical need for both aid and trade in Africa.

Equally important, Ms. McAllister commented on the need to educate the American public about Africa and to foster a more positive image of Africa, its people, and potential.

With regard to the second question of transportation infrastructure in the region, Ms. McAllister noted that there had been a great deal of discussion about shipping capacities and the need for ports in Western Africa. Efficient ports are needed to support increased trade and investment between Africa and the rest of the world. In addition, more efficient and direct ocean transportation is needed between Africa and the United States. Currently, there are no vessels that

sail directly from the United States to Africa, and even products shipped from one Francophone African country to another often must go through Paris or other points in Europe. This, of course, increases the freight costs and, ultimately, the cost of doing business in Africa. She urged that Secretary Slater keep this issue high on his agenda upon his return to Africa.

Though there was no consensus on whether African transportation infrastructure should be developed to meet national or regional needs, there was agreement that rails and roads should be the first priority. The need to build integrated transportation systems that serve both the rural and urban areas of Western African countries was identified as an important consideration.

Closely linked to transportation infrastructure, Ms. McAllister noted that many stressed the need for better telecommunications and satellite systems and emphasized the importance of this sector in African trade and economic development.

Regarding the critical trade and investment challenges in the region, Ms. McAllister stressed the need for greater regional economic integration. Also highlighted was the need for improved banking and regulatory systems, and adequate court and judicial systems that can resolve business and contractual disputes. Africans also need to have greater opportunities to participate in trade missions to the United States, and it was urged that there be increased funding for the U.S. Trade and Development Agency (TDA) for trade missions, conferences, and feasibility studies that would benefit U.S.-African trade and investment. Also important to U.S.-African trade and investment is that Africans better understand the American corporate culture, and

⁴ The Western Africa region was defined as Benin, Burkina Faso, Cape Verde, Cote d’Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

similarly, that Americans understand how Africans do business.

Ms. McAllister ended by assuring Secretary Slater that the Roundtable served a very valuable purpose and urged him to continue to keep the participants and the public at large informed about U.S. and DOT initiatives in Africa. She noted that access to information was critical, and recommended that the Department establish a publicly accessible data base that would contain business opportunities in and information about Africa.

It was obvious from the regional reports that there are common challenges across the continent. But participants were reminded that Africa is composed of numerous countries, each in regions with distinct histories and challenges.

Mr. Melvin Foote of the Constituency for Africa, concluded by noting that “policies must be multifaceted. You can’t talk about trade with Africa without talking about aid. You can’t talk about aid without talking about human rights and democracy. It’s all connected and interwoven.”

⌘

⌘ Panel 2: An American and African Partnership in the Global Economy

The afternoon panel provided insight into the new opportunities and challenges of economic development in Africa. From financing grassroots enterprises to expanding regional integration, a wide range of important issues were discussed. And though each speaker brought a unique and valuable perspective to the table, certain themes ran through entire session.

The Honorable Carol Moseley-Braun, United States Senator from Illinois, moderated the panel. She began by delivering a message of hope and a call to action, proposing a “people-centered approach to shared prosperity” which calls on both the United States and Africa to do more.

“The challenge facing African countries is to design public policies so as to maximize the gains from globalization.”

**-- Alassane Ouattara
International Monetary Fund**

All the panelists noted that across the African continent, significant progress has been made over the past several years in the areas of political and economic reform. Mr. Alassane Ouattara, Deputy Managing Director of the International Monetary Fund (IMF), cited that the average economic growth rate in the region rose from less than 1% in 1992 to 4.5% in 1996, while regional inflation has dipped to around 20%. Mr. Alan Gelb, Chief Economist for the Africa Region of the World Bank, noted that economic growth rates now exceed population growth rates in 41 African countries and that regional exports are now growing at a healthy 8% rate. Ms. Judith Aidoo, President of the Aidoo Group, pointed out that we now have a historic opportunity to take advantage of these favorable conditions in Africa, stating “Our boundaries are really up to us.”

“One of the most vital things we need to do in assisting the African countries carry out their reform agenda is to encourage country ownership of reforms. . . . Their role always has to be seen as a primary one.”

**-- Alan Gelb
The World Bank**

While there certainly have been some very positive developments in Africa, the panelists also acknowledged that formidable problems still exist on the African continent. Among the most serious concerns cited by the panelists were a lack of human capital, low savings rates, high debt, political instability, and a negative image that makes Africa seem too risky a place for investment.

Panelists also proposed ways that Africans and Americans can work to address these problems. Mr. Ouattara delineated what African nations must do to build on the progress that has been made. First and foremost, Mr. Ouattara cited the need to maintain macroeconomic stability and to continue reforms to make African economies more open and flexible. In addition, he stressed the importance of establishing a stable framework in which economic activity can take place, facilitating greater capital mobility, rooting out the corruption and inefficiency that plagues many African bureaucracies, and developing civil society in African nations. Mr. Gelb made similar observations, citing that African nations need to undergo several stages of reform, beginning with macroeconomic reforms to lower inflation and stabilize the currency and continuing on to structural and institutional reforms that will create the environment necessary for a market economy to efficiently function.

“...transportation is a critical link in...access to markets and openness. The free flow of goods and services across borders is critical, especially in small markets like those that exist in Africa.”

**--Mark Van de Water
Overseas Private Investment Corporation**

Mr. Mark Van de Water, Deputy Vice President of the Overseas Private Investment Corporation (OPIC), also discussed the development process, using as a guide criteria set forth by 18th century economist Adam Smith. Mr. Van de Water cited openness, regional economic integration, peace, justice, and regulatory transparency as keys to sustaining economic development in Africa. On the point of openness and market access, Mr. Van de Water stressed that “transportation is a critical link in access to markets and openness. The free flow of goods and services across borders is critical, especially in small markets like those that exist in Africa.”

Panelists also looked at the economic development of African nations at different levels. Looking at Africa from the broad macro-economic perspective, Mr. Ouattara focused on the need for African economic integration. He pointed out that the many diverse countries of Africa must not only develop stronger ties beyond the continent, but also within it. Mr. Nate Fields, Vice President of the African Development Foundation, emphasized micro-economic development, highlighting the importance of small and medium-sized industries. He argued that the development of Africa must be supported at the grassroots level if broader efforts on the macroeconomic side are to be successful and sustainable. Mr. Fields remarked that “We have to ensure that these small and medium-sized enterprises at the grassroots level have access to credit in order to produce and trade their goods.”

A number of panelists also discussed projects and initiatives of their respective organizations aimed at promoting economic development in Africa. Mr. Gelb and Mr. Ouattara both expressed their support for the Highly Indebted Poor Countries (HIPC) Initiative, a program that enables poor countries to escape from

unsustainable debt. Ambassador Ssemplala of Uganda affirmed that the HIPC initiative has benefited her country and urged that the program be expanded.

“In this era of increasing globalization and new international trade patterns, ways and means must be found to link and integrate local producers and grassroots enterprises into the larger national and global economies.”

-- Nate Fields
African Development Foundation

Mr. Fields discussed the efforts of the African Development Foundation to support small and medium-sized enterprises. Mr. Van de Water spoke of the significance of \$650 million in OPIC loan guarantees and equity funds designated for Africa as part of the Africa Growth and Opportunity Act currently under consideration in Congress.

“I would hope that given the expertise in this room, and the powers that be assembled in this room, I would pray that we maximize [this opportunity].”

-- Judith Aidoo
The Aidoo Group

Questions from the audience addressed a variety of concerns such as debt in Africa, privatization, promotion of African business, evaluation of African countries by the U.S. government, and how small and medium sized U.S. enterprises can get help investing in Africa.

A common conclusion that all the afternoon panelists came to, as had the morning panelists, was the importance of Africans taking control

of their own destiny. As Mr. Gelb stated: “One of the most vital things we need to do in assisting the African countries carry out their reform agenda is to encourage country ownership of reforms. . . . Their role always has to be seen as a primary one.” Ms. Aidoo echoed this notion, arguing that “Leveraging local partnerships [and] local work is essential.” Mr. Fields warned that “Unless we can link the indigenous populations into these initiatives, they won’t last.” Clearly, the panel acknowledged that African development must most fundamentally come from within the countries themselves in order to ensure sustainability.

In addition to economic prescriptions, the panelists also provided vision for the future of Africa’s economies. Senator Moseley-Braun, emphasizing the reciprocity of a partnership relationship, affirmed that “it is possible to do well and to do good simultaneously.” She stressed that an American partnership with Africa is in no way an act of charity, but an act of self-interest: the growth and prosperity of Africa is in the interest of the United States. Thus, she urged all those present, as people who embrace and anticipate momentous change, to make the most of the opportunity we have now to move forward in Africa. Ms. Judith Aidoo echoed the Senator’s message, stating that we are standing in a unique moment in history in which we have an unprecedented opportunity to make concrete changes in Africa. She exhorted: “I would hope that given the expertise in this room, and the powers that be assembled in this room, I would pray that we maximize [this opportunity].”

“By assisting development in Africa we can create business at home and we can provide jobs for our people . . . Such an approach is not paternalistic--it rejects the notion of

handouts. It promotes self-sufficiency, it encourages responsibility, and it demands accountability. It also requires reciprocity, and all partners will have to work to achieve the confidence that's required to maintain economic growth."

-- Senator Carol Moseley-Braun
United States Senate

Transportation, in creating an integrated transportation system for the 21st century that is international in reach, intermodal in form, intelligent in character, and inclusive in service, will work to ensure that the nations of Africa are able to share in the opportunities which come through transportation—the tie that binds.

⌘

⌘ *Conclusion*

As President Clinton declared at the first-ever White House Conference on Africa in June 1994, "Africa matters to the United States." In so doing, he announced that the time had come to move from the aid-driven strategy of dealing with Africa toward a viable trade and investment plan for the 21st century. Clearly, the Africans and Americans participating in this historic Roundtable have fully embraced President Clinton's charge and are moving us ever closer to the new relationship—based on partnership and shared opportunity—that will come through trade and investment with sub-Saharan Africa.

In order for the American people to prosper in the global economy, we must continue tearing down trade barriers abroad, thereby creating jobs at home. Today, America is again the world's number one exporter—leading in agriculture and aviation, automobiles and entertainment, semiconductors and software. To build on that momentum, the vast untapped markets of sub-Saharan Africa must be fully integrated into the global economy. The Clinton Administration's Partnership for Economic Growth and Opportunity in Africa seeks to support the economic transformation underway in Africa. The U.S. Department of